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FISCAL IMPACT STATEMENT

LS 6477

BILL NUMBER: HB 1470

NOTE PREPARED: Dec 15, 2004

BILL AMENDED:

SUBJECT: Connections to I-light System.

FIRST AUTHOR: Rep. Reske

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the holder of the state's interest in I-Light to provide connectivity to the certified technology park located in Madison County.

Effective Date: July 1, 2005.

Explanation of State Expenditures: Indiana Higher Education Telecommunication System (IHETS) is the agency administering the creation and operation of the I-Light 2 network. This bill seeks to add a connection to the I-Light 2 network for the city of Anderson. The city is not a planned node site, and normally a node would need to be created at a cost of approximately \$250,000. However, since the I-Light 2 network will run past Anderson to the Muncie node site, and because IHETS believes there is dark fiber that runs near the technology park that may be tapped into, a connection could possibly be created at the last-mile cost.

The cost for providing connectivity to existing fiber is estimated by the vendors to be \$50,000 per mile for last-mile fiber. The cost also depends on the amount of bandwidth needed per connection. Currently, it has not been decided who would be responsible for installing and paying for additional last-mile fiber for additional users. Users, however, must be authorized. Authorized users include public entities, such as public schools, libraries and most nonprofits. Commercial businesses are not authorized users unless sponsored by educational entities.

Background: The I-Light network uses optical fiber for the transfer of large amounts of digital information between the Indiana University campus in Bloomington and the Purdue University campus in West Lafayette. The I-Light 2 network will expand access to the following cities: Columbus, Evansville, Fort Wayne, Gary, Jeffersonville, Kokomo, Marion, Muncie, Richmond, South Bend, Terre Haute, and Vincennes. These cities

are the locations where nodes will allow connections, or last-mile connections, from the network to public entities. The agency estimates it will cost approximately \$5M to finish the last-mile connections at the additional 12 planned node sites.

Dark fiber is existing optical fiber that was placed mostly by telephone companies but is not being used. Such fiber is being leased in certain parts of the state from the phone companies to be used in the I-Light 2 network. Additional dark fiber, node equipment, and networking equipment must still be acquired to make the network fully operational, which is expected to occur in the first quarter of 2005.

Explanation of State Revenues: This bill does not specifically state that a fee may be charged for connecting to the network, however, depending on the policies governing the I-Light 2 network, IHETS may possibly charge a connection fee and/or ongoing network fee to additional users.

Explanation of Local Expenditures: Although there may be an expense involved in connecting to and/or using the I-Light 2 network, there should not be an expense at the local level for providing access to the network.

Explanation of Local Revenues:

State Agencies Affected: Indiana Higher Education Telecommunication System.

Local Agencies Affected: Flagship Enterprise Center located in Anderson, Indiana.

Information Sources: Dave King, Indiana Higher Education Telecommunication System, www.ihets.com.

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